

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Tennessee

4.22 - Third Party Liability

Citation

433.139
(b)(ii)(c) A claims cost avoidance system as outlined in 42 CFR 433.139 is utilized. All claims, except those listed below, will be cost avoided based on available insurance resource information. No threshold amount will be employed in conjunction with the cost avoidance method in processing claims.

The exceptions to the cost avoidance method are EPSDT, prenatal or preventive pediatric care, and all claims covered by absent parent maintained insurance under Part D of Title IV of the Act. Each exception shall have a \$25.00 threshold before the State pursues reimbursement from a third party resource.

433.139
(f)(2) & (3) When an absent parent is ordered by the court to provide health insurance, but the insurance is not in effect, the State Agency shall initiate recovery action through the absent parent after quarterly paid claims exceed \$300.00.

Pursuant to a waiver renewal from HCFA, Region IV, pharmacy claims will be accumulated on a quarterly basis for direct filing to the third party carrier. Recovery will be pursued when the accumulated quarterly pharmacy claims for a recipient with prescription coverage equals or exceeds a \$25.00 threshold.

The State Agency will pursue recovery on certain trauma diagnosis and employment related claims at the time a liable third party is verified. All related claims (except pharmacy claims) will be submitted to the identified third party.

The State Agency will pursue health insurance recovery from a provider or third party carrier on Inpatient Hospital, Outpatient Hospital and Physician claims where the Medicaid payment exceeds \$25.00 per claim. Recovery from a recipient is initiated when Medicaid's recovery will exceed \$25.00.

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447.20

Medical assistance benefits shall be coordinated with third party resources and reimbursement shall not be made for services which would have been reimbursable by the third party except for failure to adhere to the third party's requirements. Additionally, if the liability of the third party exceeds the amount payable under the state plan, the provider may not seek collection from the individual.

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